Audika

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Executive summary

Audika Australia Pty Ltd (Audika) welcomes the opportunity to respond to the Australian Government's review of the Hearing Services Program.

As a leader in Australian hearing healthcare, Audika supports initiatives that allow the Hearing Services Program to continue to be fit-for-purpose, client-focussed, and prepared for the future.

As one of the largest hearing healthcare providers in Australia, we understand the local operating environment and have a longstanding commitment to continually improving our services to deliver innovative and tailored hearing care solutions in Australia. Our team of hearing care experts is proud to operate in every state and territory in Australia.

At Audika, we believe everyone should have access to exceptional hearing healthcare and know that early intervention, expert assessment and tailored solutions lead to better outcomes for our clients and the Australian economy. We know this because we have delivered hearing care across Australia for more than seventy years and remain committed to delivering services that best meet the needs of vulnerable Australians affected by hearing loss.

In responding to the review process, we would like to draw your attention to the following key areas for discussion and consideration:

- **To support the long-term health outcomes for clients, there should be no change to the minimum hearing loss threshold.**
- **An extension of those eligible to hearing care in Australia from the Program should be considered. For example, people of working age and on low income should be provided with hearing care at an earlier period in their life. This would lead to improved quality of life outcomes for both short- and longer-term benefits.**
- **It is crucial that the integrity of the Program be maintained and clinical outcomes for the consumer maximised. The Program should not subsidise devices bought online, or otherwise. The Program should only subsidise services performed and devices recommended / fitted by a qualified practitioner. The expertise, experience and judgment of Audiologists / Audiometrists is crucial to the long-term hearing health outcomes for that individual with unique clinical needs, and to avoid the wastage of tax payers money through the funding of wrong devices and services.**
- **We are concerned that those that come from rural and remote parts of the country and who are eligible for the Program - do not access it. The "thin markets" issue. Audika believes incentivising more comprehensive service provision or resourcing the additional support required for some Australians to access the Hearing Services Program should be a program priority.**

We would welcome the opportunity to discuss our submission with the Expert Panel in more detail and share our insights and expertise on the delivery of high-quality hearing care in Australia.

About Audika Australia

Audika Australia Pty Ltd (Audika) is part of the Demant Group, a world-leading hearing healthcare group that offers solutions and services to people with hearing loss. Demant employs more than 15,000 staff in more than 30 countries and distributes hearing healthcare and intelligent audio solutions to people in more than 130 countries. Locally, we are one of Australia's largest hearing health care providers and our global mission is to deliver Life-changing Hearing Health Care.

In Australia, we service our clients across more than 400 clinics, including both permanent and visiting sites in metropolitan and regional Australia. Audika has 42% of its sites in Regional and Rural communities (MM-3 to MM-7), ahead of the industry average of 38%.[1]

In Australia, our parent group provides comprehensive support and involvement in every aspect of the Australian hearing industry. Audika is supported by Demant's extensive network of research, development and manufacturing of hearing devices and diagnostic equipment. The Demant Group invests in education, awareness, research and development to nurture the future of Australia's world-class hearing health programs.

Globally, we strongly believe in client choice and high standards to deliver the best client outcomes.

Through Demant, as Audika, and through industry associations, we have a long history of working collaboratively with the Australian Government. We have longstanding support for continuous improvement in both technology and service delivery provision for Australia's hearing-impaired population.

We pride ourselves on being able to provide access to the latest innovative and high-quality hearing devices and implants, hearing and balance diagnostic equipment, and clinical hearing services in delivering the Australian Government's Hearing Services Program. We also provide care to pensioners and Department of Veteran Affairs clients, as well as WorkCover schemes across the country.

In 2019, Audika launched a new national Audika Specialist Referral Network making it the leading national provider of comprehensive hearing health care for adults, including cochlear and bone conduction hearing solutions, thanks to the national network partnership of Audiologists, Audiometrists, Ear Nose and Throat (ENT) surgeons and Implant Clinics.

The national Audika Specialist Referral Network ensures each Audika clinic is able to offer new and existing clients the best possible hearing health care solution for their hearing loss, whether that is counselling, rehabilitation, a hearing device or implant technology. It is a partnership with Ear Nose and Throat (ENT) surgeons and Implant Clinics across the country delivered through an Audika clinic as a single point of access and referral for new and existing clients. It strengthens our focus to always deliver client-centred hearing health care, and recommend the best hearing health care solution possible, depending on their individual circumstances, including level of hearing loss and personal life-style goals.

Only one in ten adults who would benefit from a cochlear implant ever receive one. This statistic highlights why Audika took this pioneering step towards addressing this issue.

[1] "All sites" registered with HSP downloaded from the HSP portal mapped against the Modified Monash model (2019) from data.gov.au. HSP "All Sites" data as at January 2020

Audika is one of Australia's largest employers of fully qualified and accredited Audiologists and Audiometrists, and will continue its investment in the future sustainability of the industry by providing scholarships and / or employment of OTEN Intern Audiometrists and Audiology university graduates across Australia, in particular in the rural and remote areas.

Currently Audika supports more than 100,000[2] Australians who access the benefits of the HSP each year, through ongoing support and rehabilitation services for our existing clients as well as those who are new to the program and at the start of their hearing journey. Audika first became a registered service provider[3] in 1996 at inception of the Office of Hearing Services program, which later became the HSP program. We have supported HSP clients for the past 23 years and we are very proud of our work. We have assisted a significant number of clients and we know that each person benefiting from the HSP has had their life changed for the better.

At Audika, we want to help those with hearing loss and those whose lives are affected by someone with hearing loss improve their quality of life.

[2] The number includes any interaction where a client has completed an appointment with Audika employees in clinic. This can range from audiological testing, fitting to service and/or counselling appointments.

[3] Under brands such as Hearing Life and Audioclinic, which later merged to form Audika.

Audika Australia's response to the Discussion Issues

1. What should be the objectives and scope of the Program?

Audika supports a review and amendment to the Program objectives and scope.

Audika recommends the objectives and scope to read:

a) Supporting the health, wellbeing and productivity of Australians who are (or are likely to be) impacted by hearing loss, through provision of high quality, person to person and family-centred hearing services.

b) Increasing awareness and reducing the burden and impact of hearing loss in Australia.

c) Cultivating a societal awareness that recognises and places a high value on hearing wellness.

d) Providing a sustainable framework of service provision delivering accessibility, flexibility, equity, client choice, early intervention, and prioritising rehabilitative outcomes.

The recommendations contained within the remainder of this submission (framed in response to the questions asked) supports the achievement of those Objectives and scope outlined above.

In particular –

> To support the health, wellbeing and productivity of Australians who are (or are likely to be) impacted by hearing loss: Audika recommends that people of working age and on low income should be provided with hearing care at an earlier period in their life; and the current Program MHLT criteria of 23dB be maintained. Refer to Question 2 response for more detail (page 7)
>
> To support increasing awareness, reducing the burden and impact of hearing loss on Australians and cultivating a societal awareness: Audika provides recommendations in response to Question 4 (page 13)
>
> To support a sustainable framework of service provision that is accessible and equitable: Audika provides recommendations in response to Question 8 (page 22)

We would be delighted to have the opportunity to discuss this in greater detail with the Panel and support any consultation in determining the best path forward for any such amendments.

We also endorse the recommended objectives and Program scope outlined within the submission presented by the Hearing Care Industry Association (HCIA). In this regard, we too welcome a consumer outcomes-based model and we support the Review's consideration of creating clearer program objectives.

2. Which consumers should be eligible for Program subsidies?

Audika agrees with the statement in the HSP discussion paper that outlines the need for "balance between community health outcomes and the costs to taxpayers" and that eligibility should "target groups of people where there is a net benefit to the overall community."

As previously stated, we believe that early identification of hearing loss, prevention and treatment, always leads to a net benefit to the community when the totality of all economic and health factors are considered. That said, we also believe that there is a gap in eligibility.

We have reflected on the current eligibility criteria and eligible services under the Hearing Services Administration Act 1997 (The Act) and would like to make the following recommendations.

Audika recommends that the persons eligible be expanded to include those of working age and on low income. Those persons eligible should encompass:

1. Australian citizens or permanent residents; and
2. Are either:
    i. a Pensioner Concession Card holder,
    ii. a Department of Veterans' Affairs Gold Card holder,
    iii. a Department of Veterans' Affairs White Card holder (hearing specific conditions),
    iv. a dependent of a person in one of the above categories,
    v. a member of the Australian Defence Force,
    vi. referred by the Disability Employment Services (Disability Management Services) Program, or
    vii. People of working age and on low income.

Audika recommends that the current eligibility criteria of a minimum hearing loss threshold (MHLT) for subsidy of a device be maintained so that it means "hearing loss averaging greater than 23 decibels when tested at 0.5, 1 and 2 kilohertz".

Audika recommends that the eligible services be expanded / maintained to encompass the following:

1. An annual hearing test for all eligible recipients of the Program, including those not fitted with a device;
2. Maintenance fee in year 1 following a fitting of a device be maintained. A manufacturer warranty does cover parts and replacement if needed. It does <u>not</u> cover clinician time spent triaging the issue. Is it user experience, a clinical matter, or parts needing replacement?
3. Only services performed by a qualified practitioner and registered Provider (and if devices are recommended and fitted – then only those devices ordered and fitted by that same qualified practitioner and registered Provider) be funded by the Program;
4. Young adults aged 21 to 25 (inclusive) can choose to receive services through either the Voucher Program (if they meet one of the eligibility criteria listed in The Act) or through the Community Services Obligations (CSO) Program;
5. Eligible adults with a cochlear implant (CI) or bone anchored hearing solution (BAHS) implanted surgically through public health funding to receive rehabilitation and maintenance services from any Provider.

Outlined in greater detail in our submission in response to Question 8 (page 22), which outlines our recommendations for thin markets, as well as our recommendations for tele-audiology through

Question 7, provide additional context to the additional services questions posed by the Panel. We ask that the Panel considers these as they also relate to the provision of additional services under the HSP.

Outlined below we have provided additional points for consideration regarding the expanded points of eligibility.

We would welcome the opportunity to discuss these in greater detail with the Panel.

Low income earners of working age

We strongly encourage the Panel and HSP to be of full knowledge of the impacts of hearing loss. By addressing hearing loss earlier, we can provide care when it is needed – and return a long-term positive impact to a person's quality of life. This is why we would welcome the opportunity to discuss introducing changes to the eligibility criteria to include persons that fall within the range of 26-64 years old who may be currently self-funding care or devices, but that are on a defined set of low-income criteria.

For low income working age people, hearing loss can lead to premature welfare dependency, an increased number of sick days from work and diminished capacity to work productively due to impaired ability and psychological stress.

The same point, of providing support to those on low incomes, was identified in the 2019 *Roadmap for Hearing Health*[4], that identified as a priority action of the Roadmap:

> *"Additional support for people on low incomes is made available to access hearing health services, for those not eligible for the HSP or NDIS."*

If the eligibility criteria were able to be modified to incorporate low-income individuals with hearing loss, together we could support the government in achieving one of its outlined objectives in the Roadmap and deliver access to hearing health services to a vulnerable part of our community.

A report by Deloitte Access Economics[5] outlines the potential employment benefit of extending the program to encompass low income earners:

> *"By extending the hearing aid voucher program more people in the low income group will be provided with hearing aids. The primary benefit of providing hearing aids to people is that more people are likely to be employed. Deloitte Access Economics estimated that 53,453 people with hearing loss may potentially be employed if this program were extended universally."*

Deloitte's analysis goes on to outline that by extending the program there are considerable economic outcomes / benefits:

> *"On average, for the average dollar invested in extending the hearing aid voucher program there is a $5.20 return in benefits."*

[4] https://www1.health.gov.au/internet/main/publishing.nsf/Content/CDFD1B86FA5F437CCA2583B7000465DB/$File/Roadmap%20for%20Hearing%20Health.pdf

[5] http://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia_June-2017.pdf

Beyond the potential employment outcomes, there are also considerations to be made for the immeasurable impact on socioeconomic outcomes. We would welcome the opportunity to discuss this idea and the potential impacts with the Panel in greater detail.

Minimum hearing loss threshold

Currently, *The Act* stipulates that a "minimum hearing loss threshold means hearing loss averaging greater than 23 decibels when tested at 0.5, 1 and 2 kilohertz". Audika's position regarding the threshold is that it does not require adjustment, and, at this limit, we are able to provide support to individuals at an earlier, and critical stage, in their hearing loss journey. When compared to the threshold stipulated under other programs, such as the NDIS which is designed to support those with severe and profound disabilities, the support we provide through the HSP is centered around moderate hearing loss with affordability measures aligned with the welfare system.

Early detection and identification of hearing loss, as stipulated by the current threshold, allows our clinicians to treat clients in a timely manner. Early detection and treatment of hearing loss in both children and adults is critical to maintaining an individual's ongoing quality of life. In children, this relates to learning abilities and therefore development. In adults, early detection allows for the commencement of an aural rehabilitation program, including wearing hearing devices, which mean an individual can achieve better results in terms of speech interpretation, particularly in challenging circumstances, such as noisy environments. In addition, there are multiple benefits associated with reducing the risk of cognitive decline, as previously outlined, as well as preventing mental health-related symptoms, such as social isolation, indecision and loss of self-esteem.

We would also draw your attention to the 2017 PwC Report recommendation to raise the Minimum Hearing Loss Threshold from 3FHAL > 23dB to an "international comparator" of 4FAHL > 40dB would result in a sizeable proportion (almost 30% of clients current in 2016-17) having an untreated hearing loss. The projected full year savings were $18.9m but we would like to strongly point out that this is only a short-term gain. Audika fears for the long-term consequences which would be significant to our clients' overall wellbeing and quality of life – and the broader healthcare system in Australia.

As discussed above, by treating mild to moderate hearing loss it has been indicated to reduce the broader risks and impacts of dementia (The Lancet Commission regarding hearing loss and cognitive decline) – a disease which has significant direct and indirect costs to the Australian economy[6], as well as the additional economic impacts as outline in the Deloitte Access Economics report[7].

Annual hearing test for all eligible recipients of the Program, including those not fitted with a device.

Audika wishes to commend the Government on its Budget initiative to provide a comprehensive hearing test annually for those eligible and not fitted with a hearing device. We encourage the funding level for this service be commensurate to recognise the audiologist / audiometrist skill and time to complete a comprehensive hearing assessment.

[6] https://www.dementia.org.au/sites/default/files/NATIONAL/documents/The-economic-cost-of-dementia-in-Australia-2016-to-2056.pdf

[7] http://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia_June-2017.pdf

Funding of the Maintenance of the device in Year 1 be maintained

Audika would like to seek clarification from the Panel regarding the proposition to reduce the Maintenance fee in year 1 by excluding the component relating to maintaining devices for the first year because of a belief that device repairs are covered by a minimum 12-month warranty.

In our view, this does not consider the other costs Providers incur to provide services and to support those fitted under the HSP.

For example, despite the manufacturer warranty being in place, there is a potential for an unintended cost to the Provider to be borne if they cannot claim for the time and labour utilised through the process of liaising between the client and the manufacturer. In our experience, for a majority of cases, the client comes to the Provider in clinic with a device that's not working or not working as it should be, spending time with a clinician or a customer service officer who then undertakes a diagnostic process to determine the fault/s. It is then a process of determining if the repair can occur in the clinic or if it needs to be sent to the manufacturer to rectify. Meaning, there is still a cost to the Provider in the first 12 months for the time, materials and labour costs incurred through our role in managing and triaging the remediation process.

We would welcome the opportunity to discuss these potential unintended consequences and impacts of this change with the Panel.

Only Services provided by and devices fitted by a qualified practitioner and registered Provider be funded by the Program

It is crucial that the integrity of the Program be maintained and clinical outcomes for the consumer maximised.

The Program should not subsidise devices bought online, or otherwise. In addition, the HSP should require that devices fitted and reimbursed for by the HSP must be listed on the HSP approved devices list. Many devices available on-line are not on the device list as they would not meet the minimum device standard.

The Program should only subsidise services performed and devices recommended / fitted by a qualified practitioner. The expertise, experience and judgment of Audiologists / Audiometrists is crucial to the long-term hearing health outcomes for that individual with unique clinical needs, as is the care provided in hearing rehabilitation.

"Hearing rehabilitation" represents a number of things including identifying and diagnosing the hearing loss. Then providing different solutions to clients depending on their individual circumstance, and ongoing care. Typically solutions in Aural adult rehabilitation where the most common form of hearing loss is Presbycusis (hearing loss due to growing older) includes the provision of amplification devices to aid the clients hearing abilities. All of the aforementioned occurs in a typical HSP client rehabilitation journey. Where any medical contra indicators are detected as part of the diagnosis the client is referred for medical treatment e.g. ENT. An important component of the aided rehabilitation journey is the clinician counselling/training the client. Initially at the fitting appointment on how to use their hearing devices as well as the hearing tactics in terms of using the device in different listening situations. This Rehabilitation process varies depending on each client's lifestyle needs and physical and mental health in terms of how active they are and how simple or complex their listening environments are. The clinician will schedule additional follow up appointments with the client if the clinician feels the client needs ongoing support. Frequently

family members or spouses are brought into the rehabilitation loop by the clinician so that additional support is provided at the family level.

Further, by funding only those devices (if any) recommended and fitted by a qualified practitioner of a registered Practitioner operating under the Code of Conduct of their employer and professional body, the Government will avoid wastage of taxpayers money.

Cochlear implant (CI) or bone anchored hearing solution (BAHS)

Audika recommends that eligible adults with a CI or a BAHS implanted surgically through public health funding to be made available from any Provider. We do not believe that this will create any additional cost to the Department of Health, but rather simply become a re-allocation of funding and will improve client outcomes. This goes to the heart of consumer choice.

For CI and BAHS are Assisted Hearing Technologies, that are not currently covered under the HSP, we would recommend are considered by the Panel for future inclusion. Specifically, we note this in relation to adults over the age of 26 that do not have access to publicly funded BAHS or CI, or have private health insurance or the means to pay for these devices through private or personal funding. This cohort of adults may be significantly disadvantaged by not having access to the hearing implants required to meet their communication and hearing loss needs.

Additionally, it raises a concern of limiting consumer choice when a client of a Provider, that is not Hearing Australia, receives a CI as maintenance for the implant can only be accessed through Hearing Australia. Funding for BAHS is another area where consumer choice is limited to Hearing Australia. We would welcome a review of the regulations which govern these aspects as the eligibility is not clearly defined and creates confusion for health care providers who are unsure when to refer those clients to Hearing Australia, the public health care system or to an implant clinic.

Additional services

Outlined in greater detail in our submission in response to Question 8, which outlines our recommendations for thin markets, as well as our recommendations for tele-audiology through Question 7, provide additional context to the additional services questions posed by the Panel. We ask that the Panel considers these as they also relate to the provision of additional services under the HSP.

3. How well does this Program Interface with other schemes?

The HSP has functioned as an important avenue for hearing impaired Australians since 1996. During that period the system has grown and evolved and, on the whole, Audika believes it largely functions as it should.

Our understanding is the Program is well-regarded by clients and that very few complaints are received each year. No evidence has been provided to the contrary.

It is also our understanding that the hearing healthcare system in Australia is not only effective but is envied globally for its structure and the level of hearing healthcare it provides to many Australians. The voucher system works well, as do other essential elements such as the work done to cater to people under the CSO.

However, Audika believes there is a lack of clarity and understanding by consumers around the client pathway to access government funded hearing care and support. Namely HSP, NDIS, Veteran Affairs, State-based workers compensation insurance agencies, or Medical Practitioners (for example GPs and ENTs).

Audika recommends that the Department of Health map the client journey and the pathways to access the government funded hearing care and support. This will become a critical tool for the education and awareness campaigns further discussed in response to Question 4 (page 13)

Audika would welcome the opportunity to assist the Panel, and the Department of Health, to map the client journey – so that it can be understood by all stakeholders and communicated in Awareness campaigns / educational material.

Audika is in a unique position to bring experience and expertise relating to all of the comprehensive services eligible under *The Act* and in all other government funded schemes, across the whole of Australia. We would be happy to make available relevant Audika personnel to assist in sharing our experiences and learnings of the client journey.

4. Does the Program sufficiently support hearing loss prevention?

Audika welcomes the Government's allocation of funds towards Hearing Health Awareness, and welcomes the Panels insight that there is more to be done.

Beyond creating awareness around the need to take action on hearing healthcare, we consider hearing loss prevention just as key to managing hearing health care in Australia. We believe that addressing hearing loss prevention within the HSP will result in reducing the negative health and economic impacts of hearing loss on an individual.

Audika recommends the following actions:

1. Endorse Hearing Health as the 10th National Health Priority, to raise awareness about the importance of hearing care and help remove the stigma associated with wearing a hearing device.
2. Promote the need to carry out hearing health screenings regularly, and to act early when hearing loss is detected to minimise impact on an individual's quality of life.
3. Promote the importance of hearing protection in noisy work environments, such as in the airline, farming and music industries, and highlight the need for the increased use of hearing protection such as earmuffs and/or earplugs. This is to minimise the exposure to potential occupational and environmental noise, and ensure individuals act appropriately in such circumstances.
4. Educate consumers about pathways to receiving quality hearing care as well as funding available within hearing health care schemes for eligible consumers.
5. Educate primary healthcare providers about the importance of hearing health care and its relationship to other co-morbidities, such as cardiovascular disease, cognitive impairment, diabetes and depression.
6. Develop a standard hearing health screening protocol and embed it within the annual GP health check-up checklist for those over 60 years old.

Many Australians are unaware of their hearing health, the importance of early diagnosis or the hearing services supported by the Government. Sadly, a significant proportion of those diagnosed with hearing loss are reluctant to use a prescribed hearing device because of perceived social stigma. This puts them at risk of further hearing loss, compounds social isolation associated with hearing difficulties as well as other negative health impacts. This is a genuine problem as early intervention is key to prevent cognitive decline and other issues associated with impaired hearing. Consequently, Audika considers it vital that more resources are dedicated to public education about preventing hearing loss and to encouraging Australians to monitor their hearing and have it checked by an a hearing care professional if they have any concerns.

It is also important to address the topic of stigma relating to hearing loss and wearing hearing aids. This stigma leads to long delays of, on average, five to seven years between onset of the hearing problem and seeking treatment[8]. Research shows that people who would benefit from devices tend to wait longer than is ideal to be fitted and sometimes do not use their devices because of

[8] Deafness Forum of Australia, submission to the Hearing Health and Wellbeing of Australia Inquiry P.13

embarrassment. Public education about hearing loss prevention and normalising the use of hearing devices will be vital to addressing these delays and inconsistent use of devices.

A growing body of research makes it clear that hearing loss is best treated as early as possible and that the consequences of delaying intervention may accelerate the development of other serious health conditions, including dementia[9]. Co-morbidities with hearing impairment can impose costs on other parts of the healthcare system – particularly the mental health and aged care sectors, meaning the relatively modest savings made by increasing the hearing loss threshold for the Program will simply increase costs elsewhere.

While prevention is often considered the first defence in delaying or reducing the impacts of conductive hearing loss, we would note that sensorineural hearing loss has little prevention measures. Age-related hearing loss is natural degeneration of inner ear cells and is therefore permanent. There is no known single cause of sensorineural hearing loss.

As with many other health issues, early identification can have a profound impact on the severity of the patient outcomes. By raising greater awareness of hearing loss and making the HSP program more accessible, we hope to treat people in a timelier manner, thus improving their overall quality of life.

Reflecting on the information presented in the 2020 report of The Lancet Commission[10], *Dementia Prevention, Intervention and Care*, it notes that hearing loss may result in cognitive decline through reduced cognitive stimulation[1]. Regarding the impact of using hearing aids once a loss is identified and treated accordingly, the report states:

> *"Hearing aid use was the largest factor protecting from decline (regression coefficient β for higher episodic memory 1·53; p<0·001) adjusting for protective and harmful factors."*

In a report prepared for Alzheimer's Australia, *Economic Cost of Dementia in Australia 2016-2056*[11], it found that "the direct costs of dementia are expected to rise to $16.7 billion by 2036 and by 2.7 fold to $24.1 billion by 2056 (in 2016 dollars)."

While the indirect costs of dementia are "expected to increase to $9.1 billion by 2036 and more than double to $12.8 billion by 2056." Both direct and indirect costs represent a significant burden on the Australian economy.

In addition to further health risks, the data presented in *The Social and Economic Cost of Hearing Loss in Australia* by Deloitte Access Economics which was commissioned by the Hearing Care Industry Association (HCIA), outlines the financial costs of hearing loss in 2017 which was estimated as $15.9 billion, for which productivity losses were $12.8 billion, most of which was due to reduced employment of people with hearing loss ($9.3 billion)[12].

At Audika, we have a number of channels and programs designed to identify hearing loss early, including our Hearing Wellness program which encourages every person to have a hearing check once they reach 60 years of age. We believe Australians should be aware of the importance of early diagnosis measures. This should be a routine recommendation given by GPs to their patients to go

[9] https://www.thelancet.com/article/S0140-6736(20)30367-6/fulltext

[10] https://www.thelancet.com/article/S0140-6736(20)30367-6/fulltext

[11] https://www.dementia.org.au/sites/default/files/NATIONAL/documents/The-economic-cost-of-dementia-in-Australia-2016-to-2056.pdf

[12] http://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia_June-2017.pdf

to their hearing providers for a screening check. A baseline result can then be recorded, and with annual testing any deterioration can be noted and tracked until amplification is required.

We would welcome the opportunity to support the Panel in reviewing measures that would allow for earlier screening of individuals, as we believe the impact of treating hearing loss earlier – whether through devices or rehabilitation processes – has benefits for both the individual and the broader healthcare system.

Equally important to managing the impacts of hearing loss once they have been diagnosed, is ensuring Australians are informed about hearing loss prevention. We welcome efforts to raise awareness of hearing loss, especially in key industries where the risk of noise related hearing loss is greater, or among young people who are uninformed about the potential impacts of hearing loss.

With regards to the HSP, we note that there is no reference to hearing loss prevention in any clinical guidelines or outcomes requirement published by HSP.

We do not believe the HSP should divert treatment resources to prevention resources when age related hearing loss cannot be addressed by prevention programs. Instead, we believe there is benefit investing in earlier, more routine identification of hearing loss – an outcome that, we believe, creates better results for clients and the broader economy. We therefore recommend that every person over the age of 60 should have an annual screening check as part of their normal health prevention regime.

Audika welcomes the opportunity to discuss these recommendations in greater detail with the Panel or the Department and believes we can add valuable insights and learnings from our experience delivering hearing health care.

5. Are the Program's assessment services and rehabilitation activities meeting consumer needs?

Our understanding is that the Program is well-regarded by eligible clients and that very few complaints are received each year.

Audika is not aware of any consumer sentiment research that indicates that consumers are not satisfied with care under the HSP.

Our firm view relating to assessment and rehabilitation services is that subsidies should only be provided to clients if they have undergone a comprehensive hearing assessment from a qualified practitioner as well as having the device fitted by a qualified practitioner, if required.

Audika believes the HSP meets consumer needs by ensuring access to high quality hearing devices and sufficient clinical and professional support to use devices properly.

The suggestion in the discussion paper that devices are provided before or instead of rehabilitation services appears to assume that rehabilitation services can take the place of (at least in some cases) hearing aids. These services do not and cannot replace devices; they are a critical adjunct to using a device and can help build comfort and confidence in users. Rehabilitation services provide helpful strategies to manage hearing loss but do not meaningfully delay the need for a device for someone meeting the loss criteria for the HSP.

Role of Hearing Australia in meeting the needs of Paediatric and Aboriginal and Torres Strait Islander Peoples

We would like to commend Hearing Australia on the care it provides to the paediatric segment of our industry and endorse the Governments decision to improve the delivering of service and care for Aboriginal and Torres Strait Islander Peoples.

Audika thinks it is critical to emphasise the benefit to taxpayers to have Hearing Australia continue to fulfill their funded obligation relating Aboriginal and Torres Strait Islander Peoples.

Annual comprehensive hearing test for voucher holders who do not have a hearing device fitted

Audika welcomes and recommends the adoption of the Government's budget initiative for an annual comprehensive hearing test for voucher holders who do not have a hearing device fitted.

This initiative supports early hearing loss detection and appropriate action across key levels of the Australian population.

Thin Markets

We have addressed issues around service delivery in thin markets, awareness and prevention as well as early intervention and customer eligibility for the HSP in responses to other questions.

6. Is the Program supportive of consumer choice and control?

Audika believes the Program is supportive of consumer choice and control.

The role of the qualified clinical practitioner (Audiologist / Audiometrist) is vital to assisting clients on their hearing journeys. Audika commends the HSP on the importance it places on subsidising only those services provided by (and devices recommended by, bought from and fitted by) a qualified practitioner (audiologist / audiometrist employed by a registered Provider).

Audiologists / Audiometrists do much more than sell hearing devices – their clinical expertise is necessary to ensure proper use and optimal hearing outcomes for clients. The assessment of the specifics of an individual hearing impairment and if appropriate, the selection of the best device to improve hearing cannot meaningfully be completed without the expert clinical advice and support of an Audiologist / Audiometrist. Therefore, we do not support any model of service delivery, including one where a device is selected with the advice of an audiologist but is subsequently not fitted by an audiologist. This would lead to suboptimal outcomes for clients and we discuss elsewhere in this submission.

Hearing devices are uniquely personal, highly specialised technologies. They are not simple consumer products that can be bought "off the shelf" easily and quickly. Empowering consumers through specialist clinical advice to make good choices that suit them is an important part of the hearing care journey. HSP consumers also have choice of provider and may choose based on location, referral, brand awareness, etc.

Enhancing consumer confidence through accreditation of Providers

While Audika does not agree with the premise that there is insufficient choice and control for consumers in the HSP, there are opportunities to enhance the delivery of the Program in the interests of consumers confidence.

Audika recommends the accreditation of all Providers within the Program to the National Safety and Quality Primary Healthcare Standards (currently in draft). This will communicate 'quality and trust'. It is successful in other health care settings, like hospitals and diagnostics.

The Australian Commission Safety and Quality Healthcare has recently released the National Safety and Quality Primary Healthcare Standards for public consultation. Audika has worked with the Commission to contribute to these standards, of which Audiology is a key stakeholder. It is expected that these standards will be released in 2021 and the Audiology industry will be able to seek accreditation to a standard that is appropriate to the level of services provided.

Maintain disclosure of Preferred Supplier Arrangements

Providers should continue to disclose any preferred supplier arrangement, as required under the Program at the moment.

Audika complies with all current disclosure requirements.

To the extent that vertical integration may be a theoretical concern in the delivery of the HSP, Audika does not believe there is any evidence of market failure causing consumer detriment in relation to the Program. While Audika is vertically integrated, the markets for the provision of hearing services and for devices all demonstrate healthy levels of competition with no one provider, manufacturer or business model improperly dominating. Furthermore, all clinics are required and

disclose supplier relationships, ownership structures and other material matters relating to their business model, so consumers are informed about their providers' interests.

At Audika, we provide consumers with care appropriate for the conditions, choosing devices most suitable to address an individual's hearing loss. This means that we recommend devices best suited for consumer's needs, regardless of the manufacturer. Furthermore, Audika's clinicians do not receive commissions on device-only sales. Our clinicians receive profit share which a model that is not dissimilar to an independent audiology practice which generates a profit from their clinic's total revenue. Audika also remunerates and rewards its clinicians based on Quality Indicators, including client satisfaction and clinical outcomes, as measured by the client. We have done so since 2017. A leader in the industry.

It is important to understand that non-vertically integrated retail providers (many competitors of Audika – and being small, medium and large), typically enter purchasing supply arrangements with manufacturers to reduce their costs. This is part of a normal commercial procurement process that occurs between wholesaler and retailer, in the hearing industry and in many other industries.

The role of Hearing Australia

Audika supports Hearing Australia remaining responsible for the CSO program. Hearing Australia has developed a unique expertise in caring for vulnerable clients, particularly deaf children.

For Aboriginal and Torres Strait Islander Peoples, Audika acknowledges the important work of Hearing Australia in delivering care. Given the acute level of hearing loss among this group, we support the focus by Hearing Australia towards Aboriginal and Torres Strait Islander Peoples, so they may extend their critical work among this community.

7. Are the Program's service delivery models making best use of technological developments and services?

Audika makes the following recommendations in relation to technological developments and services:

1. Telehealth be formally endorsed and appropriately funded under the Program;

2. Some of the interim measures permitted by HSP during the COVID pandemic be formalised and included in the Program– like remote final post fitting review appointment, and remote annual review; and

3. The Program should not subsidise devices bought online, or otherwise. The Program should only subsidise services performed and devices recommended / fitted by a qualified practitioner. The expertise, experience and judgment of Audiologists / Audiometrists is crucial to the long-term hearing health outcomes for that individual with unique clinical needs, and to avoid the wastage of tax payers money through the funding of wrong devices and services.

Telehealth

Audika believes telehealth is a valuable tool for providing hearing care for those unable to attend an in-person appointment and for those in more remote parts of Australia. The value of telehealth to deliver some services and to triage clients was amply demonstrated recently when public health measures introduced to contain the COVID-19 pandemic limited in-person appointments.

Audika has adjusted its service delivery model to help clients as much as possible remotely. In recent years, Audika has made significant investments to ensure our technology, people and facilities are able to deliver a high quality telehealth experience to those in need. Whether from regional or rural areas, or as more recently demonstrated during a global pandemic, our team has delivered exceptional care to our clients using telehealth.

Telehealth does extend access to hearing care professionals to those in more remote areas or who have difficulties in attending appointments face-to-face in clinic. Audika has experience in providing such care – with quality clinical outcomes. We are an experienced Provider who encourages the HSP to partner with again directly to ensure the delivery of relevant, accurate, proven policies and processes.

We do though, dispute any view that telehealth is by its nature more "efficient" and therefore a more cost-effective way to deliver services. Telehealth consultations often require a concierge to facilitate the appointment, adding an extra person and therefore cost. Other services, such as taking an ear impression also require a person present with the client. Telehealth is often thought to be a cheaper and easier alternative to an in-person appointment, but this is not necessarily the case given additional personnel support to ensure the client receives a high level of care.

Accordingly, we urge caution regarding viewing the "success" of telehealth in contexts such as the pandemic response as evidence that telehealth can and should replace in-clinic care in any substantial way.

Telehealth is best viewed as an adjunct or an enhancement to in-clinic service delivery, not a replacement. There are a range of services that are best delivered in-clinic, plus many clients are not suitable candidates for e-consultations. For example, clients may not have access to computers, video phones, internet connections and other relevant technology to facilitate an effective consultation, or may not be confident and experienced in the operation of the necessary technology.

Many clients may have complex needs on top of their hearing loss, such a low vision, dexterity or dementia, making the delivery of effective care more difficult by telehealth.

Furthermore, the effectiveness of a telehealth consultation in all contexts relies on a client's ability to hear. For HSP clients, this an immediate barrier to effective diagnosis and care. For example, if the connection is not clear, if a client cannot find a quiet place free of ambient noise or if a hearing device is not fitted or functioning properly, it is difficult, if not impossible, to conduct an effective consultation. It is Audika's view there are categories of client for whom telehealth for any purposes may not be suitable at all – those with complex needs, language barriers or with low confidence with technology.

In our experience, routine appointments for troubleshooting, for example, a device that is not working, are more suited to telehealth than an appointment for a device fitting. Diagnosis, fittings and rehabilitation services are clearly best conducted in-clinic as technology has not yet evolved to the extent that direct clinician care, observation and interaction can be effectively delivered remotely. But where necessary due to circumstances like remote and rural areas – care by telehealth is better than no care.

Audika recommends that many of the HSP modified rules introduced during the COVID-19 pandemic, that have proven to be great for clients and providers alike, be continued post pandemic. For example, the remote final post fitting review appointment as it avoids unnecessary travel by the client and no reduction in client outcomes. We welcome partnering with the HSP to review the interim changes, to assist in a cost benefit review of each of them being formalised

Other technologies

It is crucial that the integrity of the Program be maintained and clinical outcomes for the consumer maximised.

The Program should not subsidise devices bought online, or otherwise. The Program should only subsidise services performed and devices recommended / fitted by a qualified practitioner. The expertise, experience and judgment of Audiologists / Audiometrists is crucial to the long-term hearing health outcomes for that individual with unique clinical needs, and to avoid the wastage of tax payers money through the funding of wrong devices and services.

The hearing care sector invests significantly financially in research to develop new technology to improve hearing loss, mitigate further deterioration and increase the functionality and comfort of devices. Technological advances enable us to better address the needs of our clients, provide bespoke solutions for hearing loss and enhance the quality of life of those living with hearing loss.

There is a suite of emerging products that includes hearables and over-the-counter devices that claim to improve hearing without having to consult with an audiologist. These products generally offer little more than flat response amplification rather than added functionality to address a client's specific issues. For example, the equivalent of a magnifying glass vs prescription lenses. They may be at available at a lower price point and therefore attractive from that perspective, but they do very little to improve hearing. Because of their lack of functionality other than amplification, it is our

view that these devices are not an adequate substitute for a properly designed hearing device. There is no long-term evidence indicating these products deliver the same quality of life outcomes as conventional hearing devices. Furthermore, there is no off-the-shelf replacement for the professional judgement and care provided by audiologists/audiometrists, who are trained to identify medical issues as well as preserve, enhance and protect hearing in the long term, rather than simple resolve a volume issue for clients.

To this point, we are also concerned about any development in the HSP that allows a client to purchase a hearing device online and attend an audiologist/audiometrist to have it fitted, as this would not promote the best interest of clients. There is a plethora of devices available in the hearing device market and HSP clients may not be in a position compare and evaluate functionality or determine whether a particular device suits their needs and lifestyle without expert assistance.

Audika is opposed to the inclusion of any service stream in the Program that encourages clients to purchase a hearing product online which they bring to an audiologist/audiometrist for fitting. Our view is that the expertise and care provided by audiologists and their support staff is integral to delivering better hearing outcomes on the HSP – from the beginning of the client journey when the hearing problem is diagnosed (and, importantly, medical issues excluded) across the fitting and rehabilitation phases, which are critical to developing client comfort with devices and ensuring they are used consistently. We strongly reject any view that adequate hearing care can be provided without the involvement of audiologists/audiometrists and do not believe that an approach encouraging “self-diagnosis” and “self-treatment” of hearing issues in any form is consistent with the purposes of the HSP, with the disbursement of public monies and with optimal public health outcomes.

8. Does the Program sufficiently support consumers in thin markets?

As a general principle, Audika does not believe that hearing care is available to all Australians who need it.

Audika believes that a more holistic approach to managing hearing loss in the Australian community, including interventions at an earlier age, will deliver better outcomes, both for individuals, for the community and the economy. The social and economic consequences of unmanaged or poorly managed hearing loss are significant.

Audika recommends the following to effect improvements for currently underserved groups:

1. More outreach and education on hearing loss and the services and supports available. (Awareness and Prevention – refer to Question 4, page 13).

   We should also take into consideration that people from disadvantaged backgrounds may be disengaged from medical and other services that would otherwise connect them with hearing services.

2. The extent to which telehealth services can increase accessibility in thin markets and resourcing required for the in-person services required for e-consultations to be deliver good outcomes for clients. (Technological development – telehealth – refer to Question 7, page 19)

3. For Aboriginal and Torres Strait Islander Peoples, Audika acknowledges the important work of Hearing Australia in delivering care. Given the acute level of hearing loss among this group, we support the focus by Hearing Australia towards Aboriginal and Torres Strait Islander Peoples, so they may extend their critical work among this community.
4. Enhance existing translation services and outreach programs to ensure that consumers from culturally and linguistically diverse (CALD) backgrounds understand the HSP and the options available to improve their hearing. In particular, funding for video or in-person interpreter services should be available for people unable to communicate their needs and to fully interact with providers to allow informed decision-making.

5. Provide a loading on service items delivered in rural and remote areas (MM3-7).

6. Incentivise Providers to 'Innovate in Partnership' with the local community in rural and remote areas (MM3-7).

Rural and Remote communities - loading on service items delivered in rural and remote areas (MM3-7)

Audika supports the Government focus on rural and remote communities, and its recommendation to provide a loading on service items delivered in rural and remote areas (MM3-7).

In Australia, Audika services our clients across more than 400 clinics, including both permanent and visiting sites in metropolitan and regional Australia. Audika has 42% of its sites in Regional and Rural communities (MM-3 to MM-7), ahead of the industry average of 38%.[13]

Audika is very familiar with, and is not immune to, the increased costs of operating a clinic in a rural and remote area setting.

The recommendation to provide a loading on services delivered in rural and remote areas (MM3-7) no matter who the registered Provider is – is the most obvious and correct course to take. There is a direct correlation between the problem and the solution.

As an experienced Provider in rural and remote areas, we would like to discuss the implications of these changes with the Department at the earliest opportunity.

Rural and Remote communities - Incentivise Providers to 'Innovate in Partnership' with the local community in rural and remote areas (MM3-7)

An additional consideration for Government could be to incentivise providers to 'Innovate in Partnership' with other health care providers in the community to discover innovative solutions to delivering care to the same population groups. This could create more effective and more efficient models of service delivery across the health system, if done with optimal patient outcomes as the guiding principle. Audika would welcome the opportunity to discuss how such an incentive could work with the Department as part of this Review.

[13] "All sites" registered with HSP downloaded from the HSP portal mapped against the Modified Monash model (2019) from data.gov.au. HSP "All Sites" data as at January 2020

9. Are there opportunities to improve the administration of the Program

Audika supports the position on reducing the administrative burden on providers, clients and the HSP team.

Audika recommends:

1. Maintain the annual maintenance fee structure, rather than the proposed quarterly as it creates unnecessary administrative burden;

2. Adoption of the autorenewal of maintenance fees, as this reduce administration burden; and

3. Permanent adoption of the COVID interim changes.

Audika welcomes the opportunity to work further with the Department to assist in the implementation of these changes and to further identify client outcome improvement opportunities, program efficiencies and improvements. This can include assisting in change management to enhance stakeholder consultation, and being involved in due diligence and data modelling.

Annual Payment of the Maintenance Fee - Autorenewal

Audika urges the Department to maintain the annual maintenance fee structure, rather than the proposed quarterly as it creates unnecessary administrative burden. This is a 400% increase in administration burden, and thus 400% increase in related operational costs.

We do recommend the adoption of the autorenewal of maintenance fees, as this reduce administration burden and would also improve the client experience. In our experience, this worked well during the COVID-19 pandemic and was well received by clients.

Other administration improvements – Permanent adoption of the COVID interim changes

Audika recommends that the interim changes be made permanent within the program, with maintenance of funding levels.

At the outset, Audika commends the Department for the administrative changes introduced in response to COVID-19. These changes were very positive from the perspectives of both the provider and consumer. Especially the introduction of telehealth consultations (subject to the reservations detailed earlier in this submission); auto-renewing of maintenance; annual servicing by phone; completion of follow up appointments by phone; and removal of the requirement to provide a statutory declaration in case of a lost device.

Because these changes have been so positive, Audika recommends the Department should very seriously consider whether they should be maintained in the interests of greater efficiency and a better customer experience.

10. Does the Program effectively make use of data and information to inform decision- making?

Audika agrees and recommends that accurate data be the basis of good policy and that collecting and analysing information about users of the HSP, their hearing impairments, their experience and satisfaction should be a priority for the ongoing development of the Program, and the recommendations of this Review.

We also agree and recommend that more data about hearing and the prevalence of hearing loss in the general community is a critical input into Government decision-making, especially relating to forecasting and funding, identifying groups at risk of hearing loss for targeted outreach and developing public educational campaigns about hearing loss and protecting hearing.

Audika agrees and recommends that access to information can help educate consumers about hearing services and raise the profile of the Program. (Refer Question 4, Awareness and Prevention – page 13.) However, the usefulness of information for consumers depends on its presentation and context. If the Department's intention is to empower consumers with information so they can make the best choices for themselves, be empowered to take action or feel more confident on their individual hearing care journeys, then publishing statistics and comparison data without supporting information may not be particularly effective.

A good example of consumer-focused information aiming to instil confidence and agency in consumers needing critical services is the *MyAgedCare* website https://www.myagedcare.gov.au/. The information on this website maps the journey from the initial decision to explore aged care, details eligibility and assessment criteria, links Australians to providers and helps them manage their services through an online account. It is easy to navigate and serves the important purpose of informing and empowering consumers.

Before expressing a view on the publication of any data relating to HSP provider performance, Audika would need to know more about the purpose behind publication. In principle, we support data collection and release that is dedicated to ensuring providers achieve best practice. If this is the intention, the examples of public hospitals and those private hospitals that have signed up to the Health Round Table is useful here in terms of the types of data collected and the protection of commercial-in-confidence information. Audika would be delighted to discuss with you in greater detail how existing data programs in other parts of the health system could be repurposed for the HSP.

Given this, Audika believes the Department should consider what kind of information consumers really need to make informed choices in the HSP and to have the maximum agency as they engage with the Program. The answer here may not be data per se.

To assist the Department, we would be delighted to share our customer insights with you to help provide more relevant and accessible information to HSP clients.